

1977

People in H&S: Lowell S. Pethley

Anonymous

James H. Karales

Follow this and additional works at: https://egrove.olemiss.edu/dl_hs



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

H&S Reports, Vol. 14, (1977 spring), p. 24-27

This Article is brought to you for free and open access by the Deloitte Collection at eGrove. It has been accepted for inclusion in Haskins and Sells Publications by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

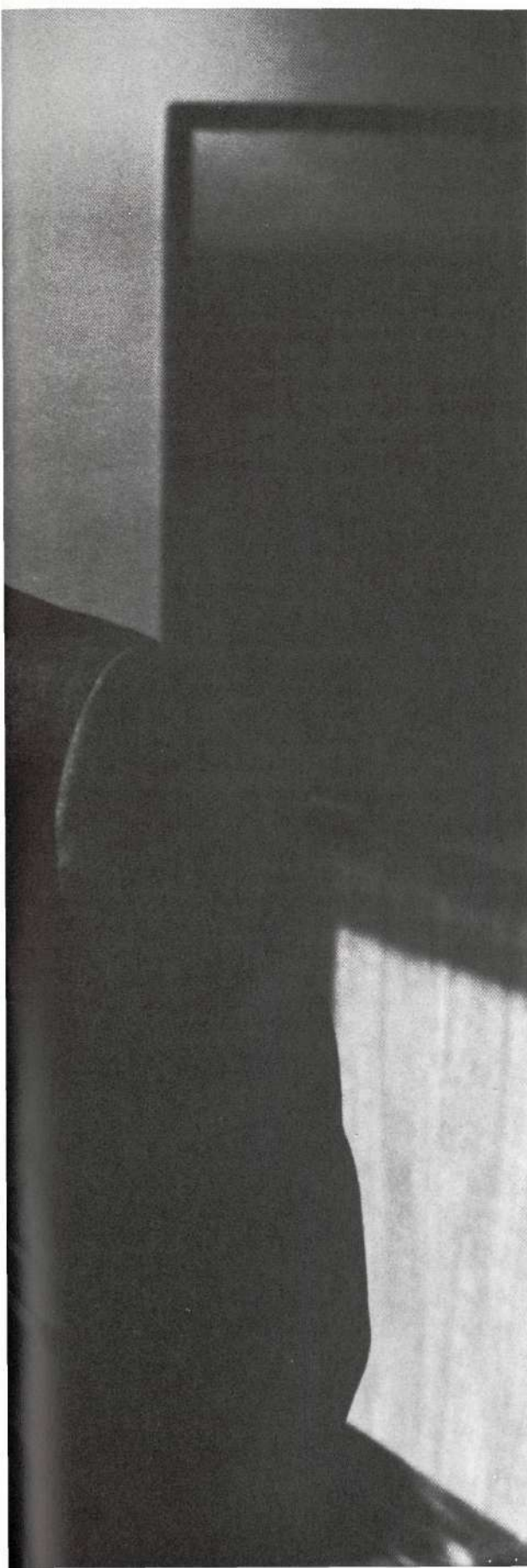
When Lowell S. Pethley first came to the H&S Seattle office in 1955, management advisory services were just beginning to emerge as a key part of the Firm's practice. Early in his career Lowell's future with H&S became linked to that of MAS, and both have fared well since.

Lowell spent most of his early life in his birthplace of Tacoma, Washington. His family moved to Seattle while he was in high school, and after his graduation he went to work in a retailing company. "It was my work with a graduate of the Harvard Business School in the accounting department of that company that first sparked my interest in public accounting," Lowell explained. Having decided to pursue a career in accounting, he began attending business college at night. Later, he decided to devote full time to his studies and enrolled in the business administration program at the University of Washington. His academic career was interrupted by the Korean war, during which he served in the U.S. Army Signal Corps as a cryptographer. Following his military service, he returned to Seattle and graduated Phi Beta Kappa in 1955. Shortly before completing his undergraduate work he placed first in the state of Washington CPA examination.

Lowell first became acquainted with H&S during a campus interview. "I was impressed by the Firm's high standards and its approach to people and the profession," he said. Soon after joining H&S in 1955, he took a leave of absence in order to obtain his MBA degree at the University of Washington. With his graduate work behind him, he returned to the Seattle office in 1957.

During those early years on the audit staff, Lowell spent much of his time on engagements for small loan companies,





lumber producers and a trucking company. Audit services for the trucking company led to his first involvement with MAS. "The company was having some problems with its reporting system," he recalls, "and I made some suggestions for improvement. At that time there were no MAS people in the Seattle office, and a consultant came in from another office. It was my time with him on this engagement that triggered my interest in MAS. That was about 1960, and gradually I became more and more involved with MAS engagements. In 1962, the Seattle partner in charge, Lorin Wilson, who now heads the Los Angeles office, chose then manager Bob Arnett to start an MAS group. Bob is now PIC in Kansas City. When Lorin and Bob asked me to transfer into MAS I was delighted. Working with Bob and Lorin, and later with Joe Hagman, got me off to a great start because of their support for MAS."

A move to San Francisco in 1964 gave Lowell an opportunity to do more in the MAS field and to work with Vin Donnelly, then head of the Western Region MAS Group. "Vin was a tough taskmaster but a good teacher who added greatly to my knowledge of MAS," Lowell said. While in San Francisco, he served for two years as a member of the project team that developed a computerized information system for Pacific Gas and Electric Company, one of the largest utility companies in the world. "The new system was designed to provide a broad range of data to operating and management people, and it has been of great benefit to PG&E," Lowell noted.

"Gordon Murray, then partner in charge of MAS nationally, served as general partner on that engagement along with Vin Donnelly," he recalls. "I learned a great deal from both of them about man-

agement's responsibilities and how we can help. For that matter, I guess we all learned well, because Frank Thomason, project team leader, is now in charge of MAS in Washington, while my other associate on that engagement, John Nixon, is in charge of MAS in Houston and is the Firm's MAS public utility coordinator."

In 1967, Lowell transferred to Chicago. "In Chicago," he said, "I had the pleasure of working with Bob Niemeyer—a pleasure because Bob brought such a positive attitude about MAS to everything he did, in addition to being a top-flight consultant. In 1968, I was admitted to partnership. At about the same time, I was put in charge of the Midwest MAS Group, and Bob moved on to Executive Office where he continued to give me valuable support."

When Lowell took over the Midwest MAS Group, it consisted of sixteen people—all located in Chicago. H&S now has over fifty MAS people in the nine cities that make up that group. "We expanded the practice," he explained, "through special practice development programs that built our skills in certain technical and industry areas. We then developed presentations that informed both our clients and H&S personnel about the assistance we could provide. Expanding into additional offices also helped a great deal by getting MAS skills closer to the clients to be served."

A major consulting engagement for Lowell in Chicago was the improvement of the top-level reporting system for a major multidivision corporation. "The client," he said, "had many divisions and was involved in a wide variety of businesses. We developed a reporting system that keyed in on the most important areas to be planned and controlled. The system has now become the focal point of their management control process."

met
People in H&S:
Lowell S. Pethley

In the years since Lowell moved to Chicago, the organization of the Firm's MAS operations has undergone some changes. Instead of being a separately administered practice, MAS is now the direct responsibility of the partner in charge of each office. MAS personnel report directly to their PIC, usually through an MAS head. Certain offices with large MAS staffs are designated as "support" offices and give assistance to offices that have only a few or no MAS people. Chicago is one such support office and provides assistance to offices in the Midwest.

"As with any organizational change," Lowell pointed out, "there were concerns about its effect. It has turned out well, I think, for both MAS and the practice offices. The office feels a stronger commitment to the MAS practice and its personnel, while MAS personnel feel a stronger commitment toward the office—not just in developing MAS practice, but a commitment to help in all the ways they can.

"You hear a good deal about integrating MAS into the practice," Lowell continued, "not just in H&S, but in the profession. Integration, however, is not a procedural thing—it's an attitude that fosters working together. And it's a commitment to the common objectives of serving our clients and contributing to the strength of our Firm."

Lowell stressed the importance of getting various groups working together and pointed to the success of the Chicago office in gaining more than a dozen new bank clients in about six months. "This came about," he said, "through the efforts of a bank practice team formed in Chicago by PIC Jerry Kolb that was made up of audit, tax and MAS people. The momentum created by this teamwork is a good example of what can be done."





Involvement in auditing has been another important direction for MAS, according to Lowell. "A significant portion of our MAS activity," he explained, "is related to our audit services. MAS requires a variety of in-depth skills in management accounting, systems, data processing and industrial engineering, among others. As our audit practice becomes more complex, MAS participates by providing special skills for use in certain aspects of the audit, and at the same time, MAS people help develop additional ideas for the client as to areas for improvement, thus contributing to our constructive-service approach to auditing. I see audit-related services as one of the major activities for MAS in the future.

Outside the Firm, Lowell has made significant contributions to the development of management advisory services through his professional activities. A frequent speaker on a wide variety of topics, he is a member of the AICPA's committee on MAS standards and has helped to set standards for MAS in the profession. He also has served on an AICPA committee that developed guidelines for executive search and is currently a member of the AICPA's MAS developmental committee, which is involved in guiding the activities of the various MAS subcommittees and task forces of the AICPA. Other professional organizations in which Lowell has been involved include the Washington CPA Society, Illinois CPA Society and the Administrative Management Society. He also received a merit award from the Seattle Junior Chamber of Commerce in recognition of his services as treasurer of that group.

For some years, Lowell's work has involved frequent travel, but because of the increasing MAS capability in many

offices he has been able to spend more of his time with his family. Home for Lowell is Inverness, a Chicago suburb, where he lives with his wife Agnes and their four children: Lynn, Curtis, Christopher and Suzanne. When he can, Lowell likes to relax by playing golf. He is also an amateur photographer.

Because of his involvement with MAS, Lowell's career at H&S hasn't followed the path he thought it would when he joined the Firm. "I expected to be an auditor," he recalls, "and hadn't really given much thought to MAS as a career. But MAS has intrigued me since my first acquaintance with it in that trucking company. My enthusiasm hasn't diminished."

Management advisory services, according to Lowell, encompass a broad range of technical and industry areas. "In handling MAS engagements," he said, "we call on people with a variety of skills in fields such as accounting, engineering, data processing and personnel in order to deal with problems in financial systems, organization, planning and control, manufacturing, systems, and compensation and manpower planning. We also need people with knowledge and experience in industries such as health care, education, banking, transportation and many others."

MAS has come a long way since Lowell joined H&S in 1955, and he sees it making even greater strides in the years ahead. "MAS has a tremendous future," he explained, "since it fulfills a growing need. The increasing demand from management for our services is a direct reflection of this need and our ability to meet it. As MAS expands," Lowell pointed out, "it will continue to enhance the value and support the growth of the Firm's other, more traditional services." ○

Y*ou hear a good deal about integrating MAS into the practice... Integration is... a commitment to the common objectives of serving our clients and contributing to the strength of our Firm.'*